



TRUE NORTH

FEDERAL CREDIT UNION

2014 ANNUAL REPORT

Federally Insured by NCUA



Sheri
NMLS#487739
Mortgage
Manager



Brenda
NMLS#716653
Real Estate
Loan Officer



Marlene
NMLS #1070542
Real Estate
Loan Officer

LOCAL... professionals, processing, underwriting.

Home Loans

- **Conventional, FHA and VA**
- **AHFC - First-time Homebuyer and other programs**
- **Native American Home Loans – HUD 184**

Easy To Apply Online! www.TrueNorthFCU.org

MISSION

True North Federal Credit Union is a member owned and locally managed credit union that provides quality financial solutions for its Alaskan members. True North is dedicated to improving the economic well-being of the members, employees, and communities it serves.

VISION

True North Federal Credit Union will be the Alaskan credit union of choice that dynamically improves the communities it serves, while offering cutting edge technology, above and beyond service, and a commitment to doing the right thing.

VALUES

Welcoming
Responsive to Member Needs
Trustworthy
Community Oriented
Dedicated to Member
Service Excellence

Welcome Annual Meeting

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TRUE NORTH FEDERAL CREDIT UNION

Annual Meeting

MARCH 26, 2015

MENDENHALL BRANCH
2777 POSTAL WAY
JUNEAU, ALASKA

Agenda

- **Call to Order**
- **Ascertainment of Quorum**
- **Introduction of Volunteers**
- **Approval of Minutes from March 12, 2014 Annual Meeting**
- **CEO Report**
- **Unfinished Business**
- **New Business**
 - Nomination Committee Report*
 - Elections*
- **Recognition and Awards**
- **Adjournment**

TRUE NORTH FEDERAL CREDIT UNION

Annual Meeting Minutes

MARCH 12, 2014

The 66th Annual Meeting of True North Federal Credit Union was called to order at 5:30 p.m. in the lobby of the Mendenhall Valley Branch/ Administration offices by Gretchen Keiser, Vice Chair of the Board of Directors.

Gretchen asked Kathryn Beers how many members were in attendance, and Kathryn reported 33. Gretchen declared a quorum had been reached.

Gretchen stated the meeting would be conducted under Robert's Rules of Order and appointed David Teal as Parliamentarian.

The membership considered approval of the minutes from the March 21, 2013 annual meeting. Gretchen stated that if there was no objection, she would adopt a motion to waive reading of the minutes. Hearing none, the reading was waived. Gretchen stated that if there was no objection, she would adopt a motion to approve the minutes of March 21, 2013. No objection was made and the minutes were approved.

Lauren MacVay delivered the President's Report. She reported that 2013 had been a strong year with 4.5% share growth, 10% loan growth, and

4% increase in Net Worth. She noted the introduction of mobile banking, transition of the downtown Juneau branch from the Spam Can to the IGA, and remodel of the Anchorage branch as a few of the accomplishments from the year, and also noted the huge amount of regulatory change that occurred in 2013.

For 2014, Lauren noted that members can expect AHFC and HUD 184 mortgage loan programs, mobile deposit capture, reloadable prepaid cards and a Gift Card product offering. Further, members can look forward to a new home banking platform in early 2015.

Finally, Lauren overviewed the annual Governmental Affairs Conference in DC, noting that the House Ways and Means committee had released the first draft of revised tax code and that the Credit Union Tax Exemption remained protected. She reported that 8 Alaskan Credit Unions met with Senators Begich and Murkowski as well as Don Young. She noted Member Business Loans limitations, overall Regulatory Relief, Capital Reform and Exam Fairness were key topics to the industry at this time.

Lauren concluded with thanks to the True Crew, the Supervisory Committee and the Board of Directors for their efforts on behalf of the membership.

There was no unfinished business.

The only item of new business was election of Board officers. David Teal reported for the Nominating Committee that two Board seats were up for election this year, those of Kim Garnero and Jim Andersen, but only Kim was seeking reelection. David reported that the Nominating Committee recommended Kim Garnero and Christine Moleski for election to the Board of Directors.

Gretchen asked if the candidates nominated would like to make a statement in support of their candidacy to the membership. Christine Moleski made a statement in support of her candidacy and Mark Troupin read a statement from Kim Garnero.

Gretchen asked if there were any nominations from the floor. No nominations were made. Mark Troupin moved to accept the slate of candidates proposed by the

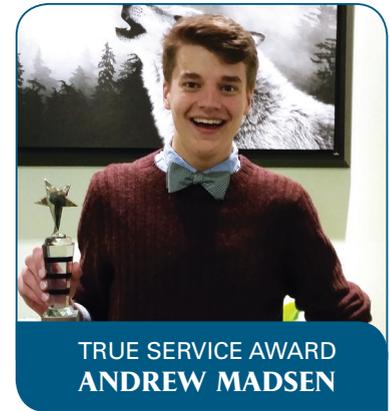
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ASTRI

service *resilience*
attitude *teamwork* *initiative*

WINNERS

On an annual basis staff members have the ability to achieve an **ASTRI** Award for demonstrating the traits that best position True North to fulfill its Corporate Mission, Vision and Values. Those traits are **A**ttitude, **S**ervice, **T**eamwork, **R**esilience, and **I**nitiative. True North awards both an **Employee ASTRI** and a **Leadership ASTRI**. Additionally, we award one employee with the **True Service Award** for consistently exemplifying one of our Corporate Values ... the dedication to Member Service Excellence. Nominations for these awards come from the staff and are reviewed by management to determine the awardees. This year we are pleased to honor the following True Crew members:



Annual Meeting Minutes

Continued from page 5

Nominating Committee, and the motion was seconded. Gretchen asked for objections, and hearing none, the motion electing the slate of candidates passed.

Lauren MacVay then recognized Jeff Vogt for 5 years of service, and Sara Boyer and Tia Cheatham-Spain for 10 years of service.

Lauren MacVay then recognized Jim Andersen for 14 years of volunteer service to the Credit Union, both as a Loan Audit and Board member.

Gretchen asked for questions from the floor. There being none, she asked Kathryn to begin drawings for Door Prizes.

There being no further business before the membership, Gretchen adjourned the meeting with no objection from the membership. The meeting adjourned at 5:52 p.m.

Respectfully submitted,

Mark Troupin, Secretary

Management Team



LAUREN MACVAY
CEO/PRESIDENT



JEFF VOGT
CHIEF FINANCIAL OFFICER



PATTY RAY
VP OF OPERATIONS



BILL PETERS
VP OF CORPORATE
DEVELOPMENT



TINAMARIE KILE
AVP OF BRANCH
OPERATIONS



JAMEY YOUNG
BUSINESS LENDING
MANAGER



SHERI VIDIC
MORTGAGE LENDING
MANAGER



ANDREA BENNETT
COMPLIANCE MANAGER



DREW BAIRD
CONTROLLER



CRYSTAL HEGEL
ACCOUNTS SERVICES
MANAGER



AARON MAR
IS MANAGER



JAYME HILL
LOAN SERVICES MANAGER



DANIELLE BEAR
COLLECTIONS MANAGER

Branch Managers



SARA BOYER
ANCHORAGE



CINDY CEVASCO
FAIRBANKS



WILLIAM BOOTHE
JUNEAU

BOARD OF DIRECTORS

Annual Report

On behalf of the Board of Directors of True North Federal Credit Union, I am pleased to present our annual report to you. We have a proud history of serving Alaskans. Your Credit Union was originally chartered sixty-six years ago as Juneau Territorial Employees Federal Credit Union. In 1959, the year Alaska became a state, the name was changed to Juneau State Employees FCU. We then became Alaska State Employees FCU in 1978 after merger with Northern State Employees FCU and finally we changed our name in 2003 to True North Federal Credit Union. While the names may have changed, True North has been dedicated to meeting the financial needs of its members and supporting the communities it serves, and that continues to be our mission today. In fact, in 2014 we adopted the following Community Development mission to clearly state our dedication to serving our communities:

True North Federal Credit Union is dedicated to community development in the areas it serves and providing quality, affordable services to its members regardless of economic status. We strive to improve the communities we serve while promoting opportunities to achieve economic well being.

As a part of our dedication to serving our communities, during 2014 True North and our employees raised and provided

funds for a number of local non-profits in the communities we serve including: Relay for Life; Big Brothers Big Sisters of Alaska; United Way; Alaska Business Week at the University of Alaska, Fairbanks; Glacier Swim Club; the Whale Project; and Bean's Cafe.

One of our main strategic focuses during the past few years has been improved member facing technology. In 2013 we launched True North Mobile and in 2014 we added remote check deposit functionality to our Mobile offerings. We also started an in-depth project to convert to a new home banking platform, the results of which are coming soon. This spring, Express PC Home Banking and True North Mobile will have a whole new look and improved functionality. Through Express PC you will now have access to account alerts, electronic notices, savings and budget management tools and the ability to open money market and certificate accounts online. In addition, True North Mobile will now give you access to Bill Pay and E Statements, along with an appearance that's consistent with Express PC.

2014 was a year of solid loan growth for True North. Our consumer, mortgage and business loans grew by 5.16%. True North lenders closed 1,667 loans for \$49,819,319; helping Alaskans with their personal, home and business needs. Member deposits grew by 4.5% and the

Credit Union's Net Worth grew by 9.39%.

In 2014, our mortgage department expanded its lending programs and True North now offers Alaska Housing Finance and HUD 184 loan programs, expanding our ability to meet the needs of our members. In addition, beginning this year, True North will start offering construction loans to the membership.

True North's dedication to providing excellent member service was again recognized in 2014 by the readers of the Juneau Empire. The readership voted True North 2nd place in the category of Best Bank/Credit Union.

In 2015, we will continue our initiative to enhance member facing technologies. We will be launching our new Home Banking and Mobile platforms, and we hope to offer several new loan products as well. Most importantly, as the State of Alaska heads into more challenging economic times, we will be looking for opportunities to support our membership and our communities.

True North is a locally managed credit union that provides quality financial solutions for its Alaskan members. As elected volunteers, we guide the direction of the credit union to meet the needs of the membership. We encourage you as a member-owner to forward your comments or concerns to us. Your input is important for True North's continued success.



An **AUTO LOAN** worth
SMILING about!

Refinance?
Consolidate Debt?
Purchasing New?

Ask About Our Low Rate Loans!



Ask A Branch Representative For An Application or
Apply Online **www.TrueNorthFCU.org** or
Call 24/7 Loans **1-866-564-2259**

Board of Directors

**KIM
GARNERO**
CHAIR

**CREIGHTON
LAURENT**
VICE-CHAIR

**DAVID
TEAL**
TREASURER

**MARK
TROUPIN**
SECRETARY

**GRETCHEN
KEISER**

**STEVE
BYERS**

**CHRISTINE
MOLESKI**

Supervisory Committee

LAURA BRUCE, CHAIR

RORY DARLING

CHRIS LETTERMAN

Guiding Alaskans for over 65 years!

Experience the Credit Union Difference!

- Vehicle, RV and Boat Loans
- Mortgage Lending
- Business Term Loans, Credit Cards, Lines of Credit and Real Estate Loans
- Construction Loans
- Free Checking
- Online and Mobile Account Access
- Online Bill Pay
- Shared Branching®
- E-Statements
- Savings Accounts
- Investment Accounts

SUPERVISORY *Report*

The Supervisory Committee, appointed by the Board of Directors, monitors the activities of the Board, management and staff by reviewing the National Credit Union Administration (NCUA) exams, arranging for independent audits, and overseeing internal controls. Through these activities, the Supervisory Committee assists in ensuring the financial safety and soundness of the Credit Union.

Since the fall of 2012, True North has retained CliftonLarsonAllen, LLP (an independent auditing firm) to perform an annual Financial Statement Audit and verification of member accounts. In the Spring of 2014, CliftonLarsonAllen audited True North as of December 31, 2013 for the calendar year 2013. The result was an unqualified opinion, with no material weaknesses in financial reporting found. This indicates to True North's members that the financial statements presented by management are a true and correct statement of our financial position.

Additionally, your Supervisory Committee has audited numerous functions with the Credit Union over the past year, from Asset and Liability Management protocols to purchasing authorizations, and our findings reflect that True North is in compliance with the requirements set forth by policy and procedure.

True North's Supervisory Committee is composed of committed volunteers with diverse backgrounds and skill sets. In addition to securing the annual audit, we prepare and implement our own audit plan designed to verify that Management is implementing Board approved policies. It is a pleasure to serve on the committee and represent the members' interests in True North Federal Credit Union.

Laura Bruce, Chair
Rory Darling
Chris Letterman

BUSINESS LOANS

Helping you grow your business.

- Business Term Loans
- Business Credit Cards
- Business Lines of Credit
- Business Real Estate Loans



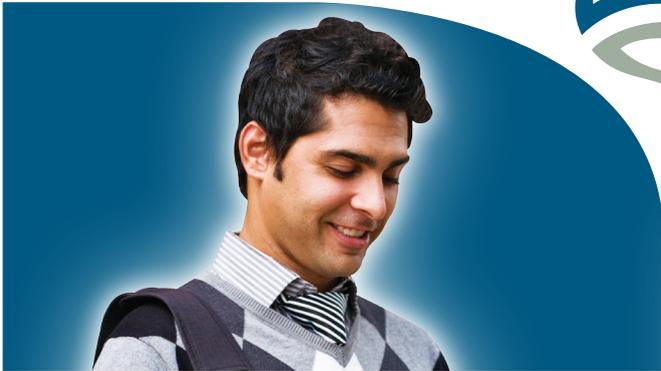
Jamey Young
Business Lending Manager
Juneau: (907) 523-4758
Anchorage: (907) 771-4758
Fairbanks: (907) 328-4758



TELEPHONE: 1-800-4-TELLER



ONLINE: www.TrueNorthFCU.org



SMARTPHONE APP



ATM

TRUE NORTH
FEDERAL CREDIT UNION

*Comparative
Income
Statements*

FOR THE YEARS ENDED
DECEMBER 31, 2014 & 2013



Income	2014	2013
Interest on Loans	4,928,193	4,758,878
Interest on Investments	285,392	345,648
Fees and Other Incomes	2,570,169	2,475,714
Total Income	\$7,783,754	\$7,580,240
Expenses		
Dividends on Members' Deposits	275,733	305,253
Provisions for Loan Loss	346,000	386,000
Operating Expenses	6,634,466	6,281,563
Total Expenses	\$7,256,198	\$6,792,816
Income Before Extraordinary Items	\$527,556	\$607,423
Extraordinary Items Income/(Expense)	322,253	(97,564)
Net Income	\$849,810	\$509,859

TRUE NORTH FEDERAL CREDIT UNION

Comparative Balance Sheets

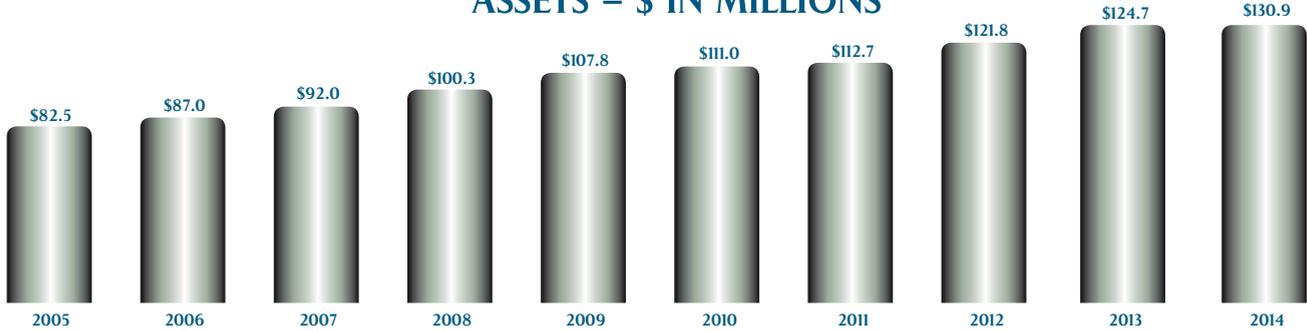
DECEMBER 31, 2014 AND 2013

Income	2014	2013
Loans to Members	97,515,927	93,616,298
Less: Reserve for Loan Loss	(497,448)	(476,708)
Net Loans	\$97,018,478	\$93,139,591
Cash and Cash Equivalents	1,642,403	1,205,907
Investments/Fed Funds	24,352,723	22,527,665
Accrued Interest Receivable	272,385	275,361
Property and Equipment, net	5,365,349	5,391,512
NCUA Share Insurance Deposit	1,144,173	1,112,483
Prepaid Expenses and Other Assets	1,112,209	1,018,280
Total Assets	\$130,907,722	\$124,670,798
Liabilities and Members' Equity		
Shares	35,298,860	32,763,332
Share Money Market	36,760,133	35,097,908
Share Certificates	13,556,820	14,712,038
IRA's	2,367,526	2,374,841
IRA Certificates	3,371,836	3,892,767
Share Drafts	28,785,293	25,321,985
Accrued Dividends	74,385	97,148
Other Liabilities	801,688	1,148,448
Total Liabilities	\$121,016,539	\$115,408,468
Members' Equity		
Unrealized Gain/(Loss) on Securities	(5,300)	215,657
Regular Reserves	4,163,163	4,163,163
Undivided Earnings	5,733,320	4,883,511
Total Members' Equity	\$9,891,183	\$9,262,330
Total Liabilities and Members' Equity	\$130,907,722	\$124,670,798

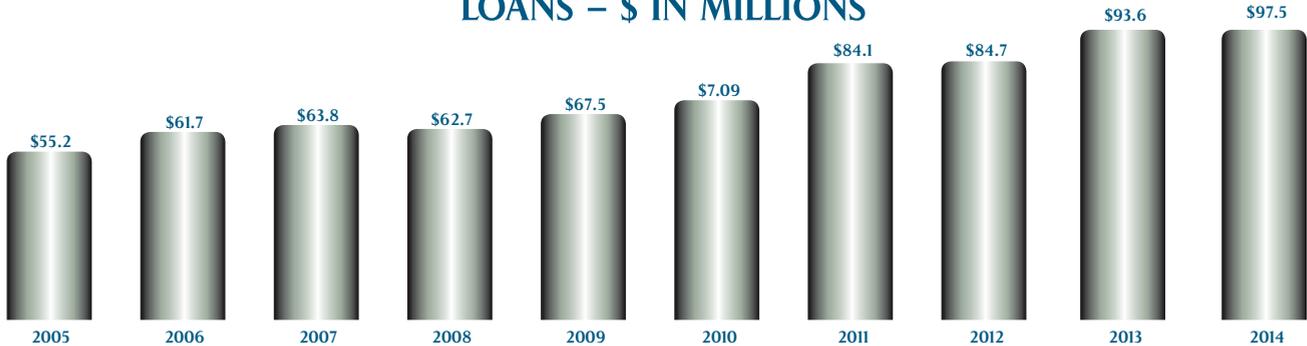
TRUE NORTH FEDERAL CREDIT UNION

Growth Statistics

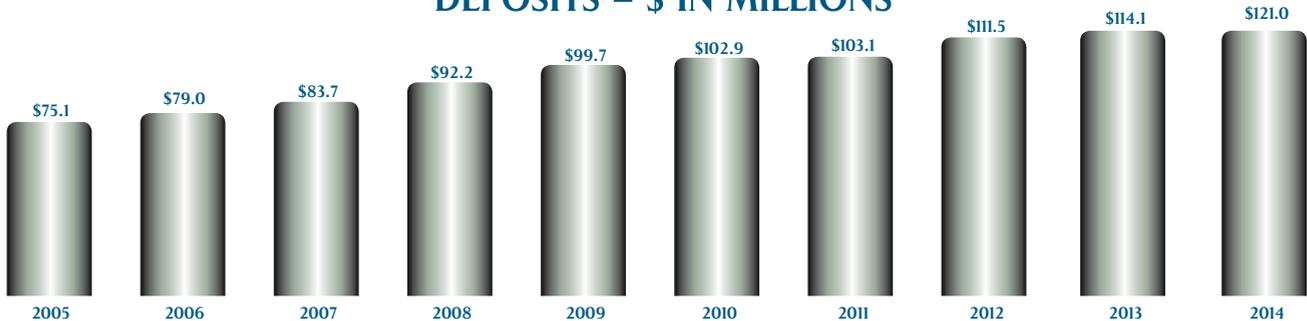
ASSETS – \$ IN MILLIONS



LOANS – \$ IN MILLIONS



DEPOSITS – \$ IN MILLIONS



Administrative Office

**PO. BOX 34157
JUNEAU, ALASKA 99803**

PHONE: (907) 523-4778

FAX: (907) 586-8078

E-MAIL: ADMIN@TRUENORTHFCU.ORG

www.TrueNorthFCU.org

